Comments of Rockland Capital
Re: Illinois Commerce Commission MISO Zone 4 Workshop – Post Meeting Comments

Rockland Capital and its affiliates that own generation in Illinois (collectively "Rockland") submit these comments to the Illinois Commerce Commission ("ICC") in response to the ICC's request to submit post-workshop comments after the ICC's December 7, 2017 Midcontinent ISO ("MISO") Zone 4 Workshop meeting. Rockland appreciates the ICC's continued effort to address the resource adequacy issues impacting southern Illinois as well as the opportunity to comment in the proceeding.

As the owner and operator of natural gas fueled generation in southern Illinois, Rockland commends ICC efforts to support a competitive energy economy throughout Illinois. The structural deficiencies of the MISO's Planning Resource Auction ("PRA") have remained unaddressed, and resulted in an uncompetitive market environment that fails to send efficient capacity price signals.

In these comments, Rockland reviews the existence of the resource adequacy issue in southern Illinois and its drivers. Moreover, Rockland proposes a solution mechanism to ensure long-term resource adequacy. Even though Rockland puts forward a detailed proposal, it feels the proposal put forward by Dynegy would provide a much needed incremental improvement to the current conditions.

I. The Existing MISO Capacity Construct will not Support Merchant Generation

The problem of maintaining, or the inability to maintain, resource adequacy in downstate Illinois – MISO Zone 4 – is well documented by the MISO, its Independent Market Monitor, and market participants. This circumstance is the result of three fundamental issues with the current configuration of the MISO PRA: (a) the use of a vertical demand curve; (b) the substantial market participation of generators that are not purely merchant but instead are regulated, contracted or otherwise subsidized; and (c) a one-year market with a prompt auction does not allow for adequate market visibility to make long-term investment decisions.

A. Vertical Demand Curve Creates Boom or Bust Pricing

As currently constructed, the PRA yields results that are somewhat binary in nature. When adequate supply exist in the market, prices for capacity approach zero. When there is a shortage, PRA prices spike and approach the cap. Arguments against the need to abandon the vertical demand curve, and install a sloped demand curve focus primarily on the appearance of adequate capacity currently operating in the region. This focus is shortsighted.

There are several thousand megawatts of merchant generation in Southern Illinois that rely on capacity prices to help offset their fixed operating costs. At current pricing levels, $1.50/MW-day, many of those, including Rockland's natural gas-fueled plants, will be forced to find another market to sell into or otherwise shutdown. Power plants are typically very important parts of their local and regional communities and are sometimes the primary economic presence. Rockland, like most power plant owners, does not take lightly

a decision to retire a plant and goes through great effort and expense to try to keep a plant running. Despite our desire to be a good neighbor and a good employer, this situation is not sustainable.

A very large portion of the power facilities in the southern portion of the state are in a similar spot and are close to being forced out of the market. This is evidenced by the decision for Exelon to announce the retirement of its nuclear plants in the state. A decision that was reversed only after being awarded out-of-market subsidies to address their capacity revenue shortfalls. The closure of unsubsidized generation is inevitable will likely lead to reliability shortages in Zone 4 and across MISO North.

Unfortunately, the structure of the PRA and volatility provided by the vertical demand curve will ensure that no rational investor will build a new merchant facility in MISO. As mentioned above, the vertical demand curve would function in a way that will drop shortage pricing to near zero pricing as soon as the new facility comes online to address the reliability need in the market.

B. PRA Results are Distorted Market Participants Supported by Out of Market Mechanisms

The deregulated markets areas of the "MISO footprint—Local Resource Zones ("LRZs" or "Zones") 4 and 7—do not have a mechanism to address long-term resource adequacy."[1] Every state in MISO, with the exception of Illinois has regulated energy markets. In these areas the incumbent utilities and utility commissions ensure that a sufficient amount of resources and reserves are situated within the state to maintain reliability and resource adequacy. Vertically integrated utilities often submit Integrated Resource Plans to utility commissions, which drives the development of new generation, and retirement decisions. Each of those generation resources are provided with ratepayer support and guaranteed rates of return though bundled rates.

Downstate Illinois, MISO Zone 4, is different. The deregulated nature of Illinois' energy market leaves generation resources to look to MISO markets and the PRA for revenue sufficiency, signals to enter, exit, or to remain. However, market design issues coupled with widespread participation by subsidized resources has caused MISO PRA prices to fall to nearly zero, even though the cost to provide capacity in the MISO-region is significantly higher.[2] Expert testimony submitted in one of the numerous proceedings on the negative impacts of MISO's market design on Zone 4 highlights that the embedded cost of capacity

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[1] *Proposed Competitive Retail Solution in new Module E-3 and corresponding revisions to existing Tariff sections in Modules A, D, and E-1* at 2, Midcontinent ISO, FERC Docket ER17-284 (November 1, 2016) (CRS Proposal). In this comment, Rockland does not discuss MISO Zone 7, however it should be noted that MISO expressed concern with the lack of a market structure to support reliability in the states with deregulated energy markets, Illinois and a small portion of Michigan.

[2] Dr. David Patton, Potomac Economics, *IMM Quarterly Report: Summer 2017* at 2, September 2017, available at https://potomaceconomics.com/wp-content/uploads/2017/09/IMM-Quarterly-Report_Summer-2017_Final.pdf. ("Capacity prices for the 2017/2018 planning year fell to essentially zero (less than 1 percent of the cost of new entry) because of its poor market design.").

in at least one regulated jurisdiction was between $200 and $300/MW-day.[3] This range is materially higher than the clearing prices resulting from every PRA.[4] The supply resources in MISO receiving these high revenues through a state ratebase, turn around and enter $0 or near $0 offers into the MISO PRA because they are already wholly compensated for their services. This behavior suppresses price in the MISO PRA and reduces capacity revenues for resources reliant on the PRA to almost nothing. Thus, there is a discontinuity between the costs paid by consumers for capacity throughout MISO – between $200 and $300/MW-day – and the PRA clearing prices paid to merchant resources.

Put differently, this dynamic in Zone 4 that places merchant generation in an auction with unmitigated regulated and subsidized resources is very unusual for a deregulated market and runs counter to the goal of incentivizing participation from the most efficient set of resources. Regulated generation contracted to serve load on Illinois, out-of-state utilities that sell excess into Illinois, and subsidized resources, like Exelon's Clinton plant are all indifferent to the PRA clearing price for Zone 4. This leads those resources to bid into the market as price takers and displace other, typically more efficient, unsupported generation in the supply stack.[5]

C. One-year Markets do not Provide Adequate Visibility for Long Term Investment Decisions

The short term nature of the PRA does not give long-term price signals that are required for a market to address any shortage or excess that may exist at any given moment. This is further exacerbated by the binary nature of the auctions created by the vertical demand curve.

Decisions to build, retire, or improve an asset with an expected life of 30 years or more cannot be made responsibly or reasonably in a market that provides one year of visibility weeks before the start of the Planning Year. The timeline to develop, permit and construct a new plant can often take 4 years, or longer. A decision to retire a plant is difficult to reverse and, once implemented, cannot be undone. Creating a market with a longer term horizon will make these decisions less risky for generators. This reduces the overall cost to participate and, as a result, less expensive capacity can be provided to the market.

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[3] *Answer of Gibson City Energy Center, LLC and Grand Tower Energy Center, LLC to Complaint of Southwestern Electric Cooperative, Inc*. at 21, FERC Docket EL15-72 (July 1, 2015). *See*, Affidavit of Robert Chilton on Behalf of Gibson City Energy Center, LLC and Grand Tower Energy Center, LLC.

[4] The PRA clearing price for Zone 4 has ranged between $1.50/MW-day, as seen in the 2017/2018 PRA, and $150/MW-day for the 2015/2016 PRA.

[5] PJM Interconnection, LLC addresses the issue of resources originating from regulated jurisdictions offering into its market by creating the Fixed Resource Requirement mechanism to levelize any price suppression effects those resources could have on the rest of the market. Recent concerns with subsidized generation suppressing capacity prices in PJM kicked off a nearly year-long stakeholder effort the develop solutions that would allow for its market to accommodate state subsidy programs without eroding prices and integrity of its markets. At the time these comments were submitted, PJM stakeholders at the Capacity Construct/Public Policy Senior Task Force endorsed a proposal that expanded PJM's Minimum Offer Price Rule to capture certain subsidized resources, mitigate offers below a price floor upwards, and prevent those positions from suppressing capacity market prices. Rockland is supportive of Minimum Offer Price Rules and other mitigation mechanisms that diminish the impact of subsidized/ratebase supported resource offers on capacity markets.

II. A Competitive Procurement Process Will Ensure Resource Adequacy in Southern Illinois

Rockland is supportive of solutions and proposals that introduce competitive market dynamics into southern Illinois. Rockland prefers procurement mechanisms with specific attributes that provide certainty to market participants, produce competitive and efficient results, and appropriately value the contributions of merchant resources in a transparent manner. Such mechanisms provide for existing facilities to remain in the market, and can support new entry upon the eventual market exit of uncompetitive facilities.

While Rockland sets forth a detailed proposal below, it supports and believes the proposal put forward by Dynegy because, if implemented, would also achieve the goal of achieving and maintaining resource adequacy. In acknowledging that Dynegy's current proposal and other proposals in related proceedings would provide incremental improvements over the current design, Rockland reviews those items below and notes potential enhancements.

A. Rockland Capital's Proposal – The Southern Illinois Capacity Auction

Capacity markets should send economic signals that ensure resource adequacy and provide revenue sufficiency for capacity resources. Revenues from capacity markets are a necessary element to support investments in existing resources and to incent planned resources to move forward with development. Capacity market constructs based on economic principles support the long-term development of efficient price signals. Efficient price signals ensure that capacity resources are appropriately valued for their contributions to the marketplace, while protecting consumers from excessive costs.

As such, the most effective manner to maintain resource adequacy in downstate Illinois is a competitive procurement process administered by the Illinois Power Agency. Rockland therefore proposes the ICC establish a Southern Illinois Capacity Auction (SICA). The SICA is a forward capacity auction, with a transition mechanism, to secure the sufficient capacity resources for Southern Illinois – MISO Zone 4. It would be integrated into the MISO PRA by requiring impacted load serving entities to represent capacity MWs procured through the SICA to MISO in the PRA through a Fixed Resource Adequacy Plan (FRAP).

- Structure: This Southern Illinois Capacity Construct consists of an auction structure comprised of three primary pieces. The SICA, Transitional Auctions, and the Balancing Auction. Each auction held under the Southern Illinois Capacity Construct will accept offers from qualified capacity resources that have met all relevant requirements set forth in the MISO Tariff. All Load Serving Entities situated in MISO Zone 4 would be required to participate. The SICA, Transitional Auctions, and Balancing Auction will secure capacity commitments to satisfy the Reliability Requirement on a least-cost basis.

- Timing: The SICA would take place during the month of May, three-years in advance of the relevant Delivery Year beginning with the first auction taking place during May 2019 to secure capacity

commitments for the 2022-2023 Delivery Year (the period of time between June 1 and May 31 the following calendar year).

Transition Auctions will be held for the 2019-2020, 2020-2021, and 2021-2022 Delivery Years. The three Transition Auctions will be held during the period between January 1, 2019 and February 28, 2019. The Transition Auctions allow for impacted load serving entities to secure capacity in advance of the MISO PRA that must be designated as FRAP for each of the respective Delivery Years, beginning with the 2019-2020 PRA.

The Balancing Auction is an auction that will allow for load serving entities to secure additional capacity or to sell previously procured capacity in advance of an upcoming PRA. This Balancing Auction will allow for load serving entities to adjust capacity positions secured in SICAs to account for adjustments to the MISO Planning Reserve Margin Requirement for Zone 4. The Balancing Auction will be held after MISO publishes its preliminary PRA data for the relevant delivery year. It will commence, and have results published before the start of the PRA for the relevant MISO Delivery Year.

- Settlements – Capacity Resources that clear the relevant auction will be paid the clearing price resulting from that auction on a $/MW-day basis. Impacted load serving entities will be charged the weighted average clearing price on a $/MW-day basis for the relevant delivery year that takes into account the SICA clearing price and the Balancing Auction Clearing Price.

- Reliability Requirements – Each SICA will procure unforced capacity in a volume to ensure reliability in MISO Zone 4, and Southern Illinois. The Reliability Requirement will be based on the most recent Planning Reserve Margin Requirement (PRMR) data published by MISO. Since the Reliability Requirements for the SICA will be used three years prior to the start of the relevant Delivery Year, Reliability Requirements will be established by using the PRMR from the most recent MISO PRA, and applying a forecasted rate for load growth. This forecasted rate should accurately reflect anticipated system conditions, and can be positive, negative, or zero. The application of the forecasted rate for load growth to the previous PRMR will produce a Forward PRMR. The Forward PRMR will then be reduced by the Historical Capacity Imports into Zone 4.

  This reduction of the Forward PRMR by the Historical Capacity Imports will allow for the Forward PRMR to take into account the transmission capability of southern Illinois. The Historical Capacity Import value will be the average of the published actual imports into MISO Zone 4 that are published in the MISO PRA Results.

  Thus the SICA Reliability Requirement will be unforced capacity equal to the Forward PRMR less Historical Capacity Imports.

- Sell Offers – Each Qualified Capacity Resource located within the physical boundaries of MISO Zone 4, and within the state of Illinois will be eligible to submit capacity sell offers into the SICA in a $/MW-day format. Sell Offers will be capped at the value of the most recent Cost of New Entry (CONE) submitted by MISO to the Federal Energy Regulatory Commission. Sell Offers will also be floored at a technology specific avoidable cost rate (ACR), or a unit-specific ACR. If a resource submitting a sell offer is from a rate-making entity or receiving a state-funded subsidy, such a subsidized resource will have an offer price floor that is the greater of the 1) unit-specific ACR, or 2) the value of the subsidy in $/MW-day. [Qualified Capacity Resources located outside of the physical boundaries of MISO Zone 4 would have an offer price floor that accounts for both (a) the value of subsidies received and (b) cost of transmission to Zone 4.]

- Auction Clearing – The goal of the SICA is to establish stable prices that provide efficiency market signals through jointly optimizing sell offers submitted by supply resources with the demand established by the Reliability Requirement. The demand curve will be a sloped demand curve to limit volatility and the potential of market manipulation. To this end, Rockland recommends the demand curve be constructed as described below.

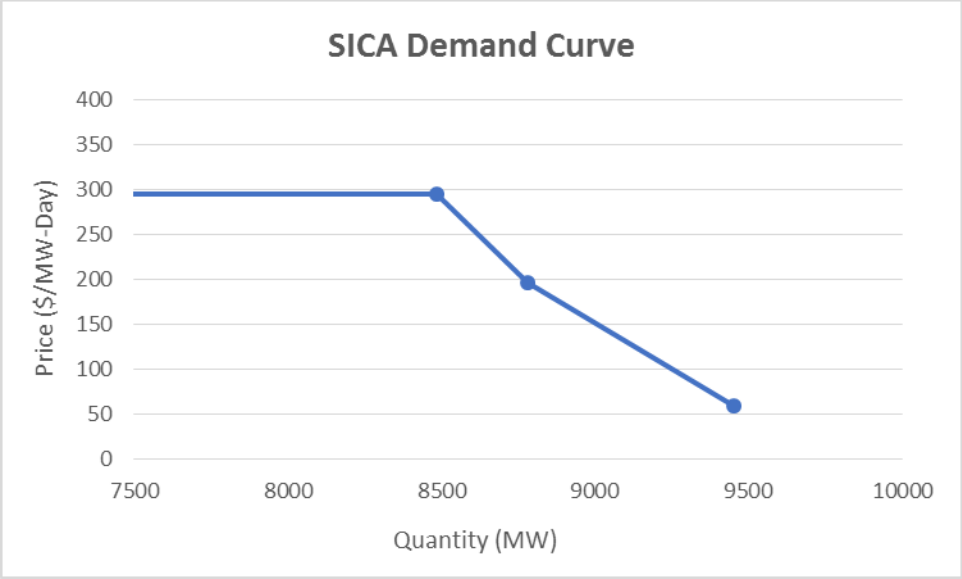
- Demand Curve – The Demand Curve of the SICA will be plotted on a graph in which Unforced Capacity is on the x-axis and the price is on the y-axis using three points described below.

    - Point A – Price Point A will be set at 1.5* Net CONE divided by (1 – MISO Pool Wide Effective Forced Outage Rate Demand ("EFORd")). Quantity Point A will be roughly 97% of the Reliability Requirement.

    - Point B – Price Point B will be set at Net CONE divided by (1 – MISO Pool Wide EFORd). Quantity B will be set at roughly 100% of the Reliability Requirement.

    - Point C – Price Point C will be set at 0.2 Net CONE divided by (1 – MISO Pool Wide EFORd). Quantity B will be set at roughly 108.5% of the Reliability Requirement.

Rockland developed the sample SICA Demand Curve below by using the MISO-published Planning Reserve Margin Requirement data for the 2017/2018 PRA, and the Historical Capacity Import value was derived from the past three PRAs. Rockland's estimate of the Pool Wide Force Outage Rate was 8.0%, and rounded down from the value reported in the MISO 2018/2019 Loss of Load Expectation (LOLE) Report. The Installed Planning Reserve Margin value was also provided by the 2018/2019 MISO LOLE study. The Cost of New Entry for Zone 4 was set at $89,870/MW-year, which was the value filed by MISO in 2017. The Energy and Ancillary Services Offset was $65/MW-day, taken from the 2014 State of the Market Report and analysis performed by the Brattle Group during the Competitive Retail Solution stakeholder process. As such, the Net CONE value was set at $181.22/MW-day.



- Balancing Auction – the Balancing Auction will provide impacted Load Serving Entities with the ability to procure additional capacity in advance of the Planning Resource Auction for a relevant Delivery Year, or to sell off excess capacity to other entities in Zone 4.

B. Rockland is Supportive of Dynegy's Proposal to Address Resource Adequacy

Rockland restates its preference for a competitive procurement solution to the unaddressed issue of long-term resource adequacy in southern Illinois. The proposals put forward by Dynegy, Potomac Economics – MISO's Independent Market Monitor, and MISO during this proceeding and others would be sufficient to ensure that sufficient resources remain located in southern Illinois.

The Dynegy Proposal

In Dynegy's pre-workshop comments in this proceeding, the ICC's MISO Zone 4 Workshop, Dynegy offers support for Illinois HB4141 and SB2250 (Bills). The Bills are identical, and propose to have the Illinois Power Agency procure the capacity needed to serve a large majority of southern Illinois. The IPA procurement would result in a representation to MISO that load has secure capacity commitments from sufficient resources through a FRAP submitted in the PRA.

Rockland feels Dynegy's approach is an improvement over the existing MISO construct. Additionally, a significant benefit of the Bills is ease of implementation. Like Rockland's proposal, the Dynegy proposal could be carried out by the ICC, the IPA, and without submitting a Section 206[6] filing to the FERC. Rockland,

[6] Section 206 filings act as complaints before the Federal Energy Regulatory Commission and place a two-step burden of proof on the filing party. The filing party must show the existing tariff or market rule is unjust,

however, would be supportive of Dynegy's proposal if the procurements occurred on a forward basis with a longer commitment period. Those two slight modifications would provide stability to resources looking to make informed investment decisions.

Potomac Economics

Rockland next turns to the proposal put forward by Potomac Economics, the MISO Independent Market Monitor (IMM), in the MISO Competitive Retail Solution (CRS) proceeding at FERC.[7] Potomac Economics recommended an Optimized Prompt Capacity Market.[8] The IMM described this as a "two pass" prompt auction. In the first pass, a sloped demand curve would capture MISO's market-wide and local requirements for Zone 4. In this run, competitive load and supply would settle capacity auctions for the year. Cleared capacity would then be included in the "second pass" as a price taker. Resources that do not clear would be eligible to offer into the second pass at any price permitted by the MISO Tariff. This second pass would rely on a vertical demand curve. Rockland viewed this solution as a viable alternative to the existing construct as it would have likely established more stable prices that are more reflective of the marginal cost to provide reliability. Rockland feels this proposal could have been significantly improved by requiring every resource to be subject to a set of minimum offer price rules.

MISO CRS Proposal

MISO's Competitive Retail Solution (CRS) proposal would have improved the market environment of MISO Zone 4.[9] This CRS proposal sought to establish a Forward Resource Auction (FRA) to compliment the PRA, and was designed to meet the resource adequacy needs of MISO's competitive retail areas. MISO's proposal was to effectively bifurcate the capacity market. MISO proposed hosting an FRA three years in advance of the relevant delivery year and its related PRA. MISO would have cleared the FRA on a sloped demand curve, carried those volumes forward, and enter the volumes procured in the FRA into the PRA as a string of $0/MW-day offers, just how MISO represents a FRAP in the PRA supply curve. While a Rockland affiliate filed specific comments in this proceeding and highlighted a number of issues with this proposal, Rockland supported MISO's proactive efforts, the introduction of a sloped demand curve, and a forward auction.[10] Again, Rockland felt this proposal could have been modified to correct for market participant behavior motivated by out-of-market payments by installing proper sell offer mitigation measures.

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unreasonable, and unduly discriminatory or preferential. The filing party must then show its recommended tariff revisions that are just, reasonable, and not unduly discriminatory or preferential.

[7] FERC Docket No. ER17-284.

[8] *Motion to Intervene and Protest of the MISO Independent Market Monitor Related to the Proposed Capacity Market for Competitive Retail Areas*, Potomac Economics, FERC Docket ER17-284 (December 14, 2016).

[9] *Proposed Competitive Retail Solution in new Module E-3 and corresponding revisions to existing Tariff sections in Modules A, D, and E-1*, Midcontinent ISO, FERC Docket ER17-284 (November 1, 2016).

[10] The FERC rejected MISO's CRS proposal in a brief Order, issued on February 2, 2017. This Order was issued one-day before FERC lost its quorum through the departure of Former Chairman Norman Bay. The substance of this Order rejected MISO's CRS proposal because FERC felt it was not shown to be just, reasonable, and not unduly discriminatory or preferential. FERC took issue with MISO bifurcating its capacity market, holding two auctions for the same Planning Year, that were separated by a period of three years. FERC reasoned that too many variables existed in the proposal, and the likely result would be a market with additional uncertainty and volatility. At no

Caution on Bilateral Market Reliance

Rockland cautions against representations that bilateral markets send efficient economic signals and support long-term resource adequacy in competitive market areas. Nothing in Rockland's proposal or the proposals having garnered Rockland's support prevent entities from engaging in bilateral transactions for capacity, energy, or other ancillary services. Arguments that the establishment of a competitive market prevent bilateral transactions from being completed or diligence are without a factual basis or merit. Opponents to the introduction of competitive markets in Zone 4 on this basis are simply looking to protect negotiating leverage that is afforded to them when suppliers have no other options or markets to provide revenue sufficiency. Moreover, no evidence, outside of unsupported statements, has been supplied to stakeholders to support contentions that bilateral transactions provide the most benefit to consumers. Although opaque, these transactions do play a role in satisfying load obligations. But bilateral markets are most effective in supporting reliability when acting as a compliment to a robust competitive marketplace.

III. Transmission Infrastructure in Southern Illinois will not Address Resource Adequacy, and Only Supports Reliability if Sufficient Reserve Margins Exist Throughout the Rest of MISO

"Capacity levels have been falling in MISO because of accelerating retirements and capacity exports to PJM."[11] The pattern of the capacity surplus in MISO eroding has persisted. As reserve margins throughout MISO continue to fall, southern Illinois' reliance on its transmission infrastructure and external generation to support reliability and resource adequacy becomes increasingly unsustainable.[12] To ensure resource adequacy and reliability, southern Illinois must retain existing resources.

The retention of existing resources can only be ensured through the establishment of procurement mechanisms that produce efficient price signals. At present, southern Illinois is particularly vulnerable to the decisions made by state regulators and utilities external to Illinois. As those entities continue to retire aging generation, the MISO-wide capacity surplus falls, causing southern Illinois to be increasingly dependent on internal generation to support local load. If internal generation continues to retire at this accelerated rate, commiserate with external generation retirements, southern Illinois will be left with too

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point in this Order did the FERC state that MISO was addressing a problem that did not exist. Rather, FERC commended MISO's efforts in addressing the important objective of resource adequacy. Order Rejecting Tariff Filing at P 6, FERC Docket ER17-284 (February 2, 2017).

[11] *2016 State of the Market Report for the MISO Electricity Markets*, Potomac Economics, at 10, June 2017, available at: https://www.misoenergy.org/Library/Repository/Report/IMM/2016%20State%20of%20the%20Market%20Report.pdf. *See also*, *2015 State of the Market Report for the MISO Electricity Markets*, Potomac Economics, at 10, June 2016, available at: https://www.misoenergy.org/Library/Repository/Report/IMM/2015%20State%20of%20the%20Market%20Report.pdf

[12] *Id.* at 8 ("Capacity market design issues continue to undermine MISO's economic signals. This raises particularly timely concerns, because MISO's capacity surplus is dissipating as resources are facing substantial economic pressure and competitive suppliers are incented to export capacity to PJM.").

few internal resources to maintain reliability, and with transmission assets that have no excess external supply to import.[13]

At the December 7, 2017 Workshop meeting hosted by the ICC, it was implied that capacity resources looking to retire in southern Illinois could be kept online to support capacity reliability and resource adequacy if a short-term capacity shortfall was imminent. If a generation resource in MISO begins the retirement process, MISO will evaluate its transmission system and determine the impact on the transmission system if the requesting unit were to retire. If MISO find that reliability of the transmission system is jeopardized due to the requesting unit's retirement, MISO can designate that resource as a System Support Resource (SSR).[14] After a resource is designated SSR, it is required to stay "online" and connected to the transmission system until MISO is able to identify and implement a transmission solution to address the transmission reliability issue identified by the subject unit's retirement. The SSR designation only addresses transmission reliability concerns.

If a generation resource wishes to retire and MISO does not identify a related transmission reliability problem, but rather determines that the retirement of that unit would cause the Local Resource Zone or the footprint to incur a capacity shortfall, there are no mechanisms for MISO to prevent such a unit from retiring. Outside of Zone 4, the other MISO states ensure appropriate capacity and reserves are available to serves respective local load through state-managed programs and integrated resource planning. Southern Illinois does not have a backdrop to ensure resource adequacy and must look to MISO markets. However, MISO has acknowledged through its CRS proposal and its letter to Illinois Governor Rauner that its current market is unable to produce economic signals that will prevent Illinois from falling into a capacity shortfall as region-wide reserve margins fall. Thus, a procurement mechanism established and overseen by the ICC will prevent southern Illinois from falling into a capacity shortfall in the long-run and better align Zone 4 with the rest of the MISO footprint.

[13] See also, *Id.* at 13 (The IMM highlights the significance of aligning generation retirement processes, with the System Support Resource mechanism to help maintain the capacity market).
[14] MISO Tariff, Attachment Y, Standard Form System Support Resource (SSR) Agreement (August 22, 2016).

IV. Conclusion

Rockland appreciates the opportunity afforded by the ICC to submit its proposal and comments in this proceeding. The establishment of a competitive capacity procurement mechanism that appropriately values the contributions of committed resources will address the long-term resource adequacy issues that are currently placing southern Illinois at risk of a capacity shortfall. Such a competitive mechanism, like the one proposed by Rockland, will ensure that Illinois consumers are provided with reliable service by the least-cost set of resources in a transparent manner.

Respectfully submitted,

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